

Message Text

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ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10

RSC-01 L-03 H-03 OMB-01 TAR-02 SPC-03 AGR-20 AID-20

CIAE-00 COME-00 INR-10 LAB-06 NSAE-00 OIC-04 SIL-01

STR-08 TRSE-00 CIEP-02 CEA-02 PA-04 PRS-01 USIA-15

XMB-07 OPIC-12 DRC-01 /224 W
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FM USMISSION USUN NY

TO SECSTATE WASHDC PRIORITY 1009

UNCLAS USUN 4666

E.O. 11652: N/A

TAGS: UN, ECOSOC

SUBJ: SECOND COMMITTEE, ITEM 51 - UNCTAD DRAFT
RESOLUTION

1. BELOW QUOTED DRAFT RESOLUTION TABLED 9 NOVEMBER BY
20 DEVELOPING COUNTRIES AS A/C. 2/L. 1304.

2. FYI. COMMITTEE AGREED 9 NOVEMBER TO VOTE ON REMAIN-
ING DRAFT RESOLUTIONS UNDER ITEM 51 ON MONDAY 19 NOVEMBER.

3. USUN REQUESTS INSTRUCTIONS RE SUBJECT DRAFT RESOLU-
TION ASAP.

4. WE ANTICIPATE PARTICULAR DIFFICULTY WITH PARAS 5, 6,
9 AND 11 AND SOME DIVISIVENESS WITHIN GROUP 77. NEVER-
THELESS, AND IN SPITE OF OUR FULL PLATE, BELIEVE SOME
EFFORT TO TONE DOWN THIS MONSTER IN ORDER.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

AFGHANISTAN, ALGERIA, ARGENTINA, BURUNDI, EGYPT, GUYANA,
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IRAN, JORDAN, MALAYSIA, MOROCCO, PAKISTAN, PERU, THE PHILIPPINES,

SRI LANKA, SUDAN, SYRIAN ARAB REPUBLIC, TUNISIA, UPPER VOLTA,
YUGOSLAVIA AND ZAIRE: DRAFT RESOLUTION

REFORM OF THE INTERNATIONAL MONETARY SYSTEM

QUOTE

THE GENERAL ASSEMBLY,

RECALLING ITS RESOLUTION 2806 (XXVI) OF 14 DECEMBER 1971, AS
WELL AS RES 84 (III) OF 21 MAY 1972, ADOPTED BY THE UNITED
NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AT ITS THIRD SESSION,

NOTING THE FIRST OUTLINE OF REFORM BY THE COMMITTEE ON REFORM
OF THE INT'L MONETARY SYSTEM AND RELATED ISSUES,

RECOGNIZING THAT THE PROBLEMS IN THE MONETARY, TRADE AND
FINANCE FIELDS SHOULD BE RESOLVED IN A CO-ORDINATED MANNER,
THROUGH APPROPRIATE CONSULTATIONS AS ENVISAGED IN THE RELEVANT
RESOLUTIONS OF THE UNITED NATIONS CONFERENCE ON TRADE AND
DEVELOPMENT, TAKING INTO ACCOUNT THE INTERDEPENDENCE OF SUCH
PROBLEMS, WITH THE FULL PARTICIPATION OF DEVELOPED AND DEVELOPING
COUNTRIES,

1. DRAWS ATTENTION TO THE HARMFUL DISRUPTION OF ECONOMIC
CONDITIONS AS A RESULT OF THE CONTINUING UNCERTAINTY IN THE INT'L
MONETARY SPHERE, PARTICULARLY FOR THE TRADE AND DEVELOPMENT OF
THE DEVELOPING COUNTRIES, AND, IN THIS REGARD, WELCOMES THE
INTENTION OF THE COMMITTEE TO SETTLE THE ISSUES OF REFORM
BY 31 JULY 1974;

2. STRESSES THAT THE REFORMED MONETARY SYSTEM SHOULD BE
UNIVERSAL AND SHOULD TAKE INTO ACCOUNT THE INTERESTS OF THE
INTERNATIONAL COMMUNITY AS A WHOLE, THEREBY HELPING THE ESTAB-
LISHMENT OF A NEW SYSTEM OF WORLD ECONOMIC RELATIONS BASED
ON THE EQUALITY AND INTEREST OF ALL COUNTRIES.

3. REITERATES THE NECESSITY FOR FULL AND EFFECTIVE PARTICI-
PATION OF THE DEVELOPING COUNTRIES IN THE DISCUSSIONS AND IN THE
DECISION-MAKING PROCESS OF THE REFORM AND THAT THE COMMITTEE OF
20 SHOULD BE FULLY RESPONSIBLE IN ALL NEGOTIATIONS ON THE REFORM.

4. RECOGNIZES THE SPECIFIC STRUCTURAL PROBLEMS OF THE
DEVELOPING COUNTRIES AND THE NEED FOR APPROPRIATE FLEXIBILITY
IN THE NEW MONETARY SYSTEM, ON THE BASIS OF THE PREFERENTIAL
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TREATMENT FOR DEVELOPING COUNTRIES;

5. RECOMMENDS THAT THE VOTING SYSTEM AND THE QUOTA STRUCTURE
SHOULD BE REVIEWED WITH A VIEW TO MAKING IT POSSIBLE FOR DEVELOP-
ING COUNTRIES TO HAVE GREATER PARTICIPATION IN INT'L MONETARY
DECISIONS AND TO SECURE A HIGHER PROPORTION BETWEEN ACCESS TO
RESOURCES OF THE INT'L MONETARY FUND AND FUND QUOTAS;

6. RECOMMENDS ALSO THE SPEEDING UP OF THE WORK ON THE EXAM-
INATION AND ESTABLISHMENT OF A NEW EXTENDED FUND FACILITY FOR

DEVELOPING COUNTRIES WHICH SHOULD
HELP THEM TO OVERCOME THE SPECIFIC DIFFICULTIES IN ADJUSTING
THEIR BALANCE OF PAYMENTS;

7. RECOGNIZES THE NEED OF REVIEWING OF METHODS OF OPERATION
OF THE INT'L MONETARY FUND, IN PARTICULAR LONGER TERMS FOR BOTH
CREDIT REPAYMENTS AND "STAND-BY" AGREEMENTS, MODIFICATION OF
THE SYSTEM OF COMPENSATORY FINANCING, AND MORE FLEXIBLE AND LI-
BERAL TERMS IN THE FINANCING OF COMMODITY BUFFER STOCKS;

8. ASSERTS THE FUNDAMENTAL IMPORTANCE OF ENSURING THAT THE
REFORMED SYSTEM SHOULD NOT ONLY CREATE CONDITIONS FAVOURABLE TO
THE TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES BUT ALSO
CONTAIN BUILT-IN MECHANISMS FOR SUCH TRANSFER;

9. REASSERTS FURTHER THE NEED FOR ESTABLISHING A LINK
BETWEEN SPECIAL DRAWING RIGHTS AND ADDITIONAL DEVELOPMENT
FINANCE AND CALLS FOR AN EARLY POSITIVE POLITICAL DECISION ON
THE ESTABLISHMENT OF SUCH A LINK, ON WHICH THE TECHNICAL
DISCUSSIONS HAVE NOW BEEN COMPLETED;

10. EMPHASIZES THE NEED FOR ADEQUATE AND ORDERLY INCREASE
BY THE INTERNATIONAL MONETARY FUND OF LIQUIDITY TO MEET THE
GLOBAL NEEDS OF WORLD TRADE THROUGH ADDITIONAL ALLOCATION
OF THE SPECIAL DRAWING RIGHTS;

11. RECOMMENDS THAT THE DEVELOPING COUNTRIES SHOULD BE
EXEMPTED FROM IMPORT AND CAPITAL CONTROLS IMPOSED BY DEVELOPED
COUNTRIES FOR THEIR BALANCE-OF-PAYMENTS PURPOSES;

12. WLCOMES THE DECISION OF THE COMMITTEE OF 20 TO SET UP
A TECHNICAL GROUP ON THE TRANSFER OF REAL RESOURCES TO STUDY,
WITHIN THE CONTEXT OF THE INT'L MONETARY REFORM, THE FLOW OF
DEVELOPMENT ASSISTANCE, ACCESS TO MARKETS AND THE FLOW OF
INVESTMENTS.

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